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CONNECTICUT ASSOCIATION OF
REALTORS® INC.

Statement on

**H. B. 6449: AN ACT EXEMPTING NEW HOME BUILDERS' EMPLOYEES FROM REAL ESTATE
LICENSING REQUIREMENTS . . . OPPOSE**

Submitted to Insurance and Real Estate Committee
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by

Ken DelVecchio
Immediate Past President of Connecticut Association of REALTORS®

Good afternoon. My name is Ken DelVecchio. I led the Connecticut Association of REALTORS® last year. I also was one of several REALTORS® who recently met with the leadership of the Home Builders Association of Connecticut about their proposal to exempt employees of new home construction contractors from the real estate licensing law.

Like Linda St. Peter, I urge you to oppose this concept and House Bill 6449. There are some who may argue that since there are various exemptions on the books now, what's the harm in adding still more? Yet keep in mind that many others who would argue that the license law needs strengthening; there are too many exemptions now.

Should we exempt people who get paid for referring buyers to time share developers from the license law? Should mortgage brokers be allowed to market homes and other property without a real estate license? My answer is "No." I think you can readily see our Association's concern with maintaining the integrity of our license law and the protection it affords the public.

It was in 1987 that the Connecticut Real Estate Commission tightened the language limiting which employees could act for an owner (or builder). They did it for a reason—because owners (or developers with an ownership interest) were hiring people to induce consumers to buy units in condominiums, planned unit developments, and time share plans. While they benefitted from being paid like real estate salesperson, they were not bound by the duties and obligations owed by licensed brokers and salespersons.

We are not opposed to new home builders who are owners (proprietors, partners, and corporate officers) selling their own properties. But our concern is when that owner steps out of the picture

and let's someone else stand in his place who is not qualified or held accountable and gets paid for performing functions of licensed real estate professionals . Especially vulnerable in such situations are *unrepresented buyers* ...to whom real estate licensees have a duty to disclose whom he/she is working for at the first personal meeting concerning that buyer's needs.

Though builder-owners need not engage the services of a real estate licensee, we believe it's often in their best self-interest to do so. If the builder-owner is not present when a prospect comes to the site, there's a trained professional other employees can refer that customer to... someone licensed and controlled by the State.

To conclude, we oppose House Bill 6449 because it reduces the protection afforded the public and because it sets up dual standards for people being paid to do essentially the same thing.

Does anyone on the Committee have any questions? Thank you for your attention.